

TEACHER - SALARY, TAXATION, INFORMATION AND BENEFITS

CONTRACT TERM

Classroom teacher and Settlement Teacher contracts are for 2 years initially and may be extendable at the end of this period if mutually agreed. These posts can be accompanied. The Travelling Teacher appointment is offered on an unaccompanied basis for one year, and this may be extended depending upon the requirements of the Education Department and mutual agreement.

SALARY

The salary for teaching appointments is up to **£36,866** per annum for a qualified teacher with 5 years experience, plus a 25% taxable gratuity payable at the end of the contract period. The salary offered to the successful applicant will be dependent on previous relevant experience.

Taking an annual salary of £36,866 as an example, the total salary package over a two year contract period would therefore be £92,165 before tax (year one will comprise basic salary of £36,866, year two will comprise basic salary of £36,866 plus the end of contract gratuity of £18,433).

The one year package would be a total of £45,178.75 before tax (basic salary of £36,866 plus £9216.50 gratuity).

Please also note below the Falkland Islands lower tax rates and other benefits, which enhance these packages further.

INCOME TAX

(This tax information is for guidance only and may alter during the period of a contract)

The Falkland Islands (FI) income tax year runs 1 Jan to 31 Dec. Husband and wife are taxed independently.

There is no self-assessment; individuals are required to complete an income tax return.

The Personal Allowance (PA) for 2016 is £15,000. You may not be entitled to the full PA, please see 'Tax Residency'.

Individuals are taxed at the following rates, after taking into account allowable deductions:

Family Allowance payments are subject to income tax.

For 2016:

First £12,000	@ 21%
Rest	@ 26%

EMPLOYEE TAXATION

There is a system of withholding sums (POAT - *Payments on Account of Tax*) from employee remuneration by employers. These are set out in detail in the Payments on Account of Tax (Employees Deductions) Regulations.

Non-residents should have income tax deducted at a straight 21%, they can claim any Personal Allowance (PA) entitlement in their individual tax return.

Resident individuals should have income tax deductions made according to the monthly/weekly tax tables which take into account the PA.

There is limited taxation of benefits-in-kind; these are set out in detail in The Taxes (Benefits in Kind) Rules. There is a separate guide available on Benefits In Kind.

Employee MST will be assessed on any benefits in kind received from your employer at the same time your income tax return is assessed.

TAX RESIDENCY

An individual's entitlement to allowances/deductions and chargeable income depends on their residency position for tax purposes (please note that this differs to residency for immigration purposes).

Resident – basically present in FI for a total of 183 days or more during the relevant tax year.

Ordinarily resident – repeatedly resident in FI except for a temporary absence (not exceeding 2 complete tax years)

Individuals resident and/or ordinarily resident for tax purposes are assessed on their worldwide income, are entitled to the full PA and may claim a deduction for certain pension/retirement benefit schemes (a copy of the relevant policy documents and proof of premium payments are required in order to consider if the scheme is allowable under FI taxes legislation), subscriptions and charitable donations.

Credit will normally be given for foreign taxes either unilaterally or through the one Double Taxation Agreement, with the UK. Proof of foreign tax paid and confirmation it has/will not be refunded will be required.

Individuals who are neither resident nor ordinarily resident (present less than 183 days in the tax year) are assessed on income from within FI and/or for duties performed in the FI and are only entitled to a proportion of the PA according to the number of days they were present in the FI during the relevant tax year. A non-resident individual can claim relief for compulsory Retirement Pension Contributions (RPC).

NB: Please also be aware that any allowance granted may also be subject to Benefit in Kind and it is your responsibility to check with the Tax Office details of these allowances/payments.

TAXATION EXAMPLES:

The amount of tax that would be charged on an individual FI tax resident (present 183 days or more in the tax year) with an annual salary of £36,866, no other taxable income and a full year's RPC payments is as follows:

Tax Year 2016

Worldwide income	£36,866
Personal Allowance	£15,000
RPC	£754
Net chargeable income	£21,112

Income Tax Calculation	£12,000 @ 21%	= £2,520.00
	£ 9,112 @ 26%	= £2,369.12
		Total £4,889.12

Employee MST due (taking into account £60,000 threshold)	£0	@ 1%	= £0
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Total Due	Income Tax	£4,889.12
	MST	£ 0.00
	Total	£4,889.12

The Taxation Office holds further guides available by email, post or collection. If you have any questions on taxation please contact or visit their office.

FIG Taxation Office, St Mary's Walk, Stanley, Falkland Islands, FIQQ 1ZZ
Telephone No. (+500) 28470 Fax No. (+500) 27287 E-mail: general@taxation.gov.fk

RETIREMENT PENSION SCHEME:

Employees are required to pay weekly contributions, which are currently set at £14.50 per week. Contribution rates may alter during the period of the contract. Contributions are compulsory and will be deducted from salary each month.

Under the terms of Falkland Islands law there is no facility for refunds of contributions to be made, under any circumstances, however a partial pension can be paid at retirement age provided an individual makes 250 weekly contributions to the scheme. If your period of residence in the Falklands is less than 5 years you can, if you so wish, make voluntary payments to the scheme from anywhere in the world in order to achieve 250 contributions.

This is a state operated pension scheme, it is not recognised in the UK and likewise UK National Insurance is not recognised in the Falklands.

Further information can be obtained from The Treasury, Stanley; Tel: (+500) 28415; Fax No. (+500) 27144 E-mail: jaldrige@sec.gov.fk

MEDICAL SERVICES TAX (MST)

MST is applied through the same system as income tax. There is a separate guide available on MST. A threshold of £60,000 exists where individuals who earn less than this do not pay MST. Paying MST is not an entitlement to healthcare, there are separate rules regarding healthcare entitlements.

MST is due on gross earnings from employment, including benefits in kind, and self-employed earnings, the rates are:

Employee	1.0%
Employer	1.5%
Self-employed	1.5%

MST is not applied to the below income:

- Employees – expenses which are wholly, necessarily and exclusively incurred to produce income from an employment, such as subscriptions to professional bodies
- Bounties – Police, Fire and FI Defence Force bounties are exempt to MST
- Under 17 years old – you are not subject to MST until the month following your 17th birthday
- Reimbursements – where you have expenses reimbursed for the purpose of your employment
- Grants – any grant made from public funds to an individual for the purpose of that individual's education
- Welfare payments – to the extent they are not taxable under the Taxes Ordinance

MEDICAL CARE CHARGES

Most services including prescriptions are free to residents of the Falkland Islands. However charges are made for some items and the Government reserves the right to alter the charges for medical services. At present charges are made for spectacles, dentures and cosmetic dentistry such as crowns and bridges. The charges are variable based on the cost of the materials, including freight.

RELOCATION GRANT

This applies to the 2 year teacher appointments only. If you are to travel alone to the Islands from the UK you will be entitled to a relocation grant of £2,000. This is to assist with getting to the airport for your flight, shipping costs (if relevant) and any other expenses incurred by relocating to the Islands.

If you are to be accompanied by your spouse/partner you will be entitled to £2,500 and this amount will be increased by £100 in respect of each dependent child who accompanies you.

If you are being recruited from outside Europe however, this amount may vary so please check with the Recruitment Officer.

FIG usually pays 50% of this relocation grant on signing of the contract and 50% on arrival in the Islands to assist with setting up bank accounts and so on.

A relocation grant is not payable in respect of Travelling Teachers as the appointments are relatively short term and unaccompanied, therefore individuals do not have the opportunity to set up a home base to which they could ship their belongings. However, travel expenses between home and airport will be reimbursed by the Falkland Islands Government for these post holders.

ACCOMMODATION:

Classroom and Settlement Teachers and any accompanying family members (if applicable) will be provided with accommodation, including essential furnishings, for which a rent will be charged per month (deducted from salary).

In most cases Travelling Teachers will be provided with board and lodgings by families on their farm (in a few situations self-catering accommodation is available); and a shared house is available when in Stanley. There is a daily rate payable in both situations and the advantage of no other associated utility bills.

Some basic information regarding rent and utilities for the Stanley based posts follows:

Rent

The standard and size of Government housing varies considerably, consequently current rental charges range from approximately £300 per month for a small self-contained flat to approximately £750 per month for a fully furnished four bedroom house. Rental charges are reviewed annually.

Property Service Charge

There is an annual service charge on domestic properties to cover the cost of the provision of water and refuse collection. This charge is currently fixed at £35.50 per month and is reviewed annually.

Utilities

Current rates are shown below and are subject to change:

Petrol	- 92p per litre
Diesel	- 43p per litre
Kerosene	- 54p per litre
Propane Gas	- 45kg cylinder £93.60
Propane Gas	- 11kg cylinder £22.88
Electricity	- 19p per unit

EDUCATION ALLOWANCES:

Up to a maximum of £8,200 per annum (£2,733 per term) per child

In order to be eligible for this allowance you must be accompanied by your spouse for the whole period of employment.

If you are widowed, divorced, separated or single, you may be eligible to receive this allowance providing you have:-

- a) judicial custody of the child or children to whom the claim applies; and
- b) financial responsibility for the child or children; and
- c) exclusive care and control over the child or children.

FLIGHTS:

With a two year contract you and those accompanying you (if applicable) will be entitled to a flight at the beginning and end of your contract as well as another return flight mid-contract. With the one year contract you will be entitled to one flight at the beginning and end of your contract.

QUALITY OF LIFE:

Last, and an important consideration, the quality of life in the Falkland Islands is to be relished. No traffic jams, pollution, queues, commuting... Plenty of community spirit, friendly faces, fresh air, spare time, wildlife, good times: a truly unique experience.

The information enclosed is correct at the time of print (January 2016). If you have any further queries please contact the Recruitment Officer: email recruitment@falklands.gov.fk or telephone 0207 222 2542.